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E.O. 12958: N/A

TAGS: KNNP MNUC IR BA

SUBJECT: DESIGNATION OF FUTURE BANK, BAHRAIN UNDER
EXECUTIVE ORDER 13382

¶1. (U) This is an action request. Please see paragraph 2.

OBJECTIVES

¶2. (U) Washington requests that addressees notify host
Government/EU officials that the United States designated
Future Bank, Bahrain under E.O. 13382 ("Blocking the Property
of Weapons of Mass Destruction Proliferators and their
Supporters") on Wednesday, March 12, 2008. Addressees are
requested to provide the non-paper in paragraph 4 to host
government/EU officials.

-- Inform Posts of U.S. designation of Future Bank, Bahrain
for being controlled by the Iranian Bank Mellî, which was
designated by the U.S. on October 25, 2007.

-- Note this designation is consistent with United Nations
Security Council Resolution (UNSCR) 1803 of March 3, 2008,
which calls upon Member States to "exercise vigilance" with
regard to activities of financial institutions in their
territories with all banks domiciled in Iran, in particular
Iran's Bank Mellî and Bank Saderat.

-- Note this designation is aimed at prohibiting
proliferators of weapons of mass destruction and their
supporters from engaging in transactions and trade between

those designated entities and banks under U.S. jurisdiction.

BACKGROUND/NONPAPER

¶3. (U) Begin text of background/non-paper for EU, UK, FRANCE, GERMANY, ITALY, AUSTRALIA, AUSTRIA, BAHRAIN, BELGIUM, BURKINA FASO, COSTA RICA, CROATIA, GERMANY, GHANA, INDONESIA, ISRAEL, JAPAN, JORDAN, KUWAIT, LIBYA, OMAN, PANAMA, QATAR, REPUBLIC OF CONGO, SAUDI ARABIA, SLOVAKIA, SPAIN, SOUTH AFRICA, UAE, VIETNAM, YEMEN, JAPAN, CHINA, NEW ZEALAND and RUSSIA:

The U.S. would like to inform your government that on March 12, 2008, the U.S. Treasury Department designated one additional entity pursuant to Executive Order (E.O.) 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters"), an authority aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters and at prohibiting transactions and trade between those designated entities and banks under U.S. jurisdiction. The text of E.O. 13382 can be found at: <http://www.treas.gov/offices/enforcement/ofac/programs/wmd/wmd.pdf>.

The following name will be added to Treasury's Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons ("SDN list") and published in the Federal Register pursuant to Executive Order 13382.

¶1. FUTURE BANK B.S.C.

Addresses: P.O. Box 785, City Centre Building, Government Avenue
Manama, Bahrain
Block 304, City Centre Building, Building 199, Government Avenue, Road 383 Manama, Bahrain

This designation is based on the determination that Future Bank is controlled by Iran's Bank Mellî, which was designated under the same Executive Order on October 25, 2007 for facilitating Iran's proliferation activities.

Executive Order 13382 provides authority to freeze the assets of proliferators of weapons of mass destruction (WMD) and their supporters.

Future Bank was established in 2004 as a joint venture between two Iranian banks, Bank Mellî and Bank Saderat, and a private bank based in Bahrain. Bank Mellî and Bank Saderat each hold 33.3 percent of Future Bank's outstanding shares. At the time of the designation, Bank Mellî and Future Bank publicly identified the same individual as chairman of both institutions. Other information available to the U.S. Government also demonstrates that Future Bank is controlled by Bank Mellî. In addition, Bank Saderat was also designated by the USG for support of terrorism in October 2007. According to information available to the USG, Bank Saderat supports terrorist organizations, including Hezbollah, Hamas, PFLP-GC, and Palestinian Islamic Jihad.

The Government of Bahrain has taken responsible steps to prevent Future Bank from abusing the country's financial system.

This designation is consistent with United Nations Security Council Resolution (UNSCR) 1803 of March 3, 2008, which calls upon Member States to "exercise vigilance" with regard to activities of financial institutions in their territories with all banks domiciled in Iran, in particular Iran's Bank Mellî and Bank Saderat, and their branches and subsidiaries abroad. UNSCR 1803 specifically calls on States to take such action in order to avoid these activities contributing to either proliferation sensitive nuclear activities or the development of nuclear weapons systems, as referred to in UNSCR 1737.

Treasury's Office of Foreign Assets Control (OFAC) designated

Bank Melli pursuant to E.O. 13382 for providing, or attempting to provide, financial support for entities involved in Iran's nuclear and missile programs. These include: the Shahid Hemmat Industrial Group, the Defense Industries Organization (DIO), Bank Sepah, and the Islamic Revolutionary Guard Corps (IRGC). These entities have also been designated under E.O. 13382 and have been listed in UNSCRs 1737 and 1747. OFAC also designated four financial institutions that are owned or controlled by Bank Melli, including Melli Bank plc, Arian Bank, Bank Melli Iran ZAO, and Bank Kargoshaee.

As you know, UNSCRs 1737, 1747 and 1803 establish a legal obligation for countries to take certain actions against the financial underpinnings of Iranian proliferation and WMD programs by requiring states to freeze the assets of entities and individuals named in the Annexes of these resolutions, as well as assets of entities owned or controlled by them or individuals or entities acting on their behalf.

The United States urges you to also take action to meet these requirements. In this regard, we hope you will consider taking action to freeze the assets of Future Bank and other Iran-related entities the U.S. has designated under E.O. 13382. (A full list of the entities designated under E.O. 13382 can be found at <http://www.treas.gov/offices/enforcement/ofac/programs/wmd/wmd.pdf>.)

We urge your government to investigate financial relationships and transactions in which designated Iranian proliferation entities have an interest. Where it is suspected that these relationships and transactions may be facilitating Iran's proliferation activities, we urge you to take those steps necessary for your nationals to cease dealings with the entity in question.

We look forward to working with you on this and other related matters and are prepared to provide additional assistance as appropriate.

End background/non-paper.

REPORTING DEADLINE

14. (U) Please report delivery of the U.S. non-paper and any immediate response by March 31, 2008. Please slug replies for ISN, T, TREASURY, EUR, EAP and NEA. Please use SIPDIS caption on all responses.

POINT OF CONTACT

15. (U) Washington point of contact for follow-up information is Kevin McGeehan, ISN/CPI, (202) 647-5408, McGeehanKJ@state.sgov.gov.

16. (U) Department thanks Post for its assistance.
RICE

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End Cable Text